



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 10b-10

SEC File No. 270-389, OMB Control No. 3235-0444

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 10b-10 (17 CFR 240.10b-10) under the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 10b-10 requires broker-dealers to convey specified information to customers regarding their securities transactions. This information includes the date and time of the transaction, the identity and number of shares bought or sold, and whether the broker-dealer acts as agent for the customer or as principal for its own account. Depending on whether the broker-dealer acts as agent or principal, Rule 10b-10 requires the disclosure of commissions, as well as mark-up and mark-down information. For transactions in debt securities, Rule 10b-10 requires the disclosure of redemption and yield information. Rule 10b-10 potentially applies to all of the approximately 3,750 firms registered with the Commission that effect transactions for or with customers.

Based on information provided by registered broker-dealers to the Commission in FOCUS Reports, the Commission staff estimates that on average, registered broker-dealers process approximately 18,843,624,843 order tickets per year for transactions for or with customers. Each order ticket representing a transaction effected for or with a customer generally results in one confirmation. Therefore, the Commission staff estimates that approximately 18,843,624,843 confirmations are sent to customers annually. The confirmations required by Rule 10b-10 are generally processed through automated systems. It takes approximately 30 seconds to generate and send a confirmation. Accordingly, the Commission staff estimates that broker-dealers spend approximately 157,030,207 hours per year complying with Rule 10b-10 ($18,843,624,843 \times .5 \div 60$)

The amount of confirmations sent and the cost of sending each confirmation varies from firm to firm. Smaller firms generally send fewer confirmations than larger firms because they effect fewer transactions. The Commission staff estimates the costs of producing and sending a paper confirmation, including postage, to be approximately 63 cents. The Commission staff also estimates that the cost of producing and sending a wholly electronic confirmation is approximately 39 cents. Based on informal discussions with industry participants, as well as representations made in requests for exemptive and no-action letters relating to Rule 10b-10, the staff estimates that broker-dealers used electronic confirmations for approximately 35 percent of transactions. Based on these calculations, Commission staff estimates that 12,248,356,148 paper confirmations are mailed each year at a cost of \$7,716,464,373. Commission staff also estimates that 6,595,268,695 wholly electronic confirmations are sent each year at a cost of \$2,572,154,791. Accordingly, Commission staff estimates that the total annual cost associated with generating and delivering to investors the information required under Rule 10b-10 would be \$10,288,619,164.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street, NE, Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Jill M. Peterson
Assistant Secretary

July 15, 2019
[FR Doc. 2019-15344 Filed: 7/18/2019 8:45 am; Publication Date: 7/19/2019]